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SIPDIS

STATE FOR NEA AND NEA/MAG

E.O. 12958: DECL: 12/10/2019

TAGS: [ECON](#) [EINV](#) [EFIN](#) [MO](#) [PGOV](#)

SUBJECT: PALACE COERCION PLAGUES MOROCCO'S REAL ESTATE SECTOR

Classified By: Consul General Millard for reasons 1.4 (b) and (d).

11. (C) SUMMARY: At a December 9 meeting, one of Morocco's leading business entrepreneurs XXXXXXXXXXXX, told EconOff that major institutions and processes of the Moroccan state are being used by the Palace to coerce and solicit bribes in the country's real estate sector. XXXXXXXXXXXX made clear to his XXXXXXXXXXXX interlocutors that Morocco's major investment decisions were in reality made by the contrary to popular belief, corruption in the real estate sector during the reign of King Mohammed VI is becoming more, not less, pervasive. END SUMMARY.

A TALE OF ROYAL PROPORTIONS

12. (C) XXXXXXXXXXXX major institutions and processes of the Moroccan state are used by the Palace to coerce and solicit bribes in the real estate sector. While corrupt practices existed during the reign of King Hassan II, XXXXXXXXXXXX, they have become much more institutionalized with King Mohammed VI. Institutions such as the royal family's holding company, Omnium Nord Africaine (ONA), which now clears most large development projects, regularly coerce developers into granting beneficial rights to ONA, XXXXXXXXXXXX

13. XXXXXXXXXXXX

14. (C) XXXXXXXXXXXX ONA's XXXXXXXXXXXX reportedly told his interlocutors that Morocco's major investment decisions were effectively made by three individuals: the King, Fouad El Himma the former Deputy Minister of Interior who now leads the Palace-backed Party of Authenticity and Modernity, and Mohamed Mounir Al Majidi, who is the head of the King's private secretariat and his principal financial advisor. XXXXXXXXXXXX

Comment

15. (C) XXXXXXXXXXXX's experience demonstrate a reality, of which most Moroccans dare only whisper -- the influence and commercial interest of MILLARD